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FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1410
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4336
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4592
RUEHKA/AMEMBASSY DHAKA PRIORITY 9696
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2579
RUEHLO/AMEMBASSY LONDON PRIORITY 3988
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9714
RUEHKO/AMEMBASSY TOKYO PRIORITY 0865
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1772
RHEFDIA/DIA WASHDC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
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C O N F I D E N T I A L KATHMANDU 001201

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DEPT FOR SCA/INS

E.O. 12958: DECL: 05/10/2016
TAGS: [PGOV](#) [PTER](#) [EAID](#) [NP](#)
SUBJECT: DEPUTY PM WORRIED KING STILL PLOTTING, MAOISTS
INSINCERE

REF: A. KATHMANDU 1129

[1](#)B. KATHMANDU 1196

[1](#)C. KATHMANDU 1195

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b,d).

King Waiting for Politicians to Stumble

[1](#)1. (C) K.P. Oli, Deputy Prime Minister and Foreign Minister and CPN-UML Central Committee Member, told the Ambassador on May 10 that the King would not stay in his box for long and would be looking at his constitutional options. The King had already instructed loyalists to contact the military to discuss future scenarios, Oli asserted. Oli said that the Parliament had to act quickly to close loopholes to prevent the King from acting. Party leaders were considering having the current House of Representatives enact an interim constitution because waiting to elect a full national assembly to amend the constitution to box in the King would take too long. Oli also was worried that the Maoists were not sincere. While the Cabinet was outwardly working on the assumption that the Maoists wanted to join the mainstream, they also had to have a plan if the Maoists wanted to continue their armed struggle, Oli said.

Cabinet's Two Pronged Plan

[1](#)2. (C) Oli outlined the Cabinet's public two-fold plan to institutionalize democracy and bring the Maoists into the political mainstream. Oli noted that, while the people in theory now had sovereignty, in practice the Parliament had many things to do to transfer power to the people. He highlighted the steps the Cabinet had already taken to bring the Maoists into the mainstream, including removing the terrorist tag (ref A), but noted that many obstacles remained. He noted that the parties had learned lessons from the previous two negotiations with the Maoists. He explained that now the government was taking the most "positive attitude" possible, but stressed that the parties could not give in to the Maoists without getting something in return.

The parties could not allow the Maoists to take over the government: the bottom line was that the Maoists had to give up violence.

International Assistance Needed

13. (C) Oli thanked the USG for its continued "strong and open support" of the peaceful democratic movement and asked for increased assistance in the future to help restore peace and development. Oli explained that the Cabinet was working to prioritize donor requirements (ref B), but suggested that Nepal would need both technical expertise and financial assistance. He said that, due to the ongoing insurgency and the King's autocratic rule, the government needed assistance to resettle, reconstruct and rehabilitate. Oli stated that the Maoists were currently extorting people so the Maoists could feed approximately 25,000 Maoist supporters. Oli said that while the political parties could urge the Maoists to stop the extortion, the Maoists would not allow their cadre to starve and would need a face-saving way out. Oli suggested that international financial support to Maoists could be useful.

14. (C) The Ambassador outlined his earlier (ref C) conversation with the Prime Minister, and explained to Oli that, while the USG was prepared to help the government in other ways, feeding Maoists was not something we could do. Oli agreed that each country could help in its own way.

Comment

15. (C) Oli's skepticism of the intentions of both the King and the Maoists highlights the need for this government to

move forward quickly. While the King has been put in a box for now, he doubtless will be exploring avenues for a comeback in the coming weeks and months. There is a danger in the government's not managing public expectations regarding Maoist intentions when the Cabinet is obviously privately very worried that things could go wrong.
MORIARTY